Volume 1

# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

### COLUMBIA, SOUTH CAROLINA

[Hearing Held in Irmo, SC]

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15 8/17/00 P.M

**HEARING #10786** 

June 8, 2006

DOCKET NO. 2006-92-WS: CAROLINA WATER SERVICE, INC. – Application for Adjustment of Rates and Charges for the Provision of Water and Sewer Service.

1 2

**HEARING BEFORE:** CHAIRMAN Randy MITCHELL, Presiding; VICE CHAIRMAN G. O'Neal Hamilton and Commissioners John E. "Butch" Howard, David A. Wright, Elizabeth B. Lib Fleming, Mignon L. Clyburn, and C. Robert Moseley.

Legal Advisor to Commissioners: F. David Butler, Senior Counsel

**STAFF:** Jocelyn G. Boyd, Deputy Clerk; Joseph M. Melchers, Chief Counsel; and Randall Dong, Staff Attorney, and Josh Minges, Staff Attorney; James B. Spearman, PhD., Executive Assistant to Commissioners; MaryJane Cooper, Court Reporter, and Patty Sands, Administrative Coordinator.

**APPEARANCES:** John M. S. Hoefer, Esq., representing CAROLINA WATER SERVICE, INC., **Applicant.** 

Shannon Bowyer Hudson, Esq., and Nanette Edward, Esq., representing The Office of Regulatory Staff.

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TRANSCRIPT OF TESTIMONY AND PROCEEDINGS VOLUME 1

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Carolina Water Service, Inc. (Night Hearing) - Irmo, SC Volume 1 Docket No. 2006-92-WS INDEX 1 2 3 4 PAGE OPENING by Chairman Mitchell: ......3 5 6 TESTIMONY OF Yvonne Ross......11 7 8 Examination by Chairman Mitchell......13 Examination by Commissioner Clyburn ......14 9 Examination by Commissioner Howard ......17 10 Further Examination by Chairman Mitchell ......17 11 Cross Examination by Mr. Hoefer......17 12 13 TESTIMONY of Susan Maleski......19 14 Examination by Commissioner Clyburn ......23 15 Examination by Vice Chairman Hamilton......26 16 Examination by Commissioner Fleming......27 17 18 TESTIMONY of John Ryan ......31 19 Examination by Chairman Mitchell ......32 20 Examination by Commissioner Clyburn ......32 21 Further Examination by Chairman Mitchell ......33 22 Examination by Commissioner Howard ......33 23 Cross Examination by Mr. Hoefer ......34 24 25 26 27 28 29 30 31 32 33 34 35 36 37 PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

| 1  | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  CHAIRMAN MITCHELL: We're going to go ahead |
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| 2  |                       | and get started. I see that it's 6:30, and we'd like to start   |
|    |                       |   |
| 3  |                       | promptly on time. First, I'd like to say we certainly welcome   |
| 4  |                       | each one of you out tonight. We've been here before.  |
| 5  |                       | I want to introduce the Commissioners. First, we  |
| 6  |                       | have Butch Howard to my far left, David Wright, Bob   |
| 7  |                       | Moseley, Lib Fleming, and O'Neal Hamilton, and myself,  |
| 8  |                       | I'm Randy Mitchell, and we're members of the Public   |
| 9  |                       | Service Commission, and we're certainly glad to be here.  |
| 10 |                       | We certainly welcome the opportunity to go out and meet   |
| 11 |                       | with the public wherever we're called in the state. We  |
| 12 |                       | certainly welcome that because we know it's hard for  |
| 13 |                       | many of you to come and testify at a hearing, and that's  |
| 14 |                       | the reason we're here. We certainly want you, each and  |
| 15 |                       | everyone that has come tonight to testify, we - come up   |
| 16 |                       | and be sworn in – we certainly want – don't want to rush  |
| 17 |                       | you in any manner. We're here to listen to what you have  |
| 18 |                       | to say.   |
| 19 |                       | I am going to introduce Mr. David Butler at this time,  |
| 20 |                       | our counsel, and he'll go through exactly the reasons we're   |
| 21 |                       | here and how this case will progress further. Mr. Butler.   |
| 22 |                       | MR. BUTLER: Yes, sir. Thank you, Mr. Chairman,  |
| 23 |                       | very much.  |
| 24 |                       | I want to say on behalf of the Commission Staff,  |
| 25 |                       | welcome to the hearing tonight. We appreciate you coming. I   |
|    |                       | ERVICE COMMISSION OF SOUTH CAROLINA  Executive Center Drive, Columbia SC 29210                                      |

|    | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1               |
|----|-----------------------|---|
| 1  |                       | do want to take just a moment to introduce a couple of Staff                          |
| 2  |                       | members who are here from the Commission Staff. First,                                |
| 3  |                       | Ms. Jocelyn Boyd, who is Deputy Clerk. We have also Ms.                               |
| 4  |                       | Mary Jane Cooper who is our Court Reporter, and she                                   |
| 5  |                       | will be taking down everything that is said here tonight. I'll                        |
| 6  |                       | get into that just a little bit more in the middle – in just a                        |
| 7  |                       | minute. We will also have, I believe, in the back there,                              |
| 8  |                       | Mr. Bill Richardson. We also have Mr. Joseph Melchers,                                |
| 9  |                       | who is our Chief Counsel, and Mr. Jim Spearman, who I                                 |
| 10 |                       | think are out in the lobby at this particular time. We also                           |
| 11 |                       | have some other parties to the case with Carolina Water                               |
| 12 |                       | Service case. First, we have Mr. Duke Scotts, who is                                  |
| 13 |                       | Executive Director of the Office of Regulatory Staff, and                             |
| 14 |                       | he has a number of his staff members with him, some of                                |
| 15 |                       | whom are seated up front. We also have Mr. John Hoefer                                |
| 16 |                       | who represents Carolina Water Service in this matter.                                 |
| 17 |                       | I will say they will have opportunity – an opportunity to                             |
| 18 |                       | ask you a question if you come up and speak. I'll get into                            |
| 19 |                       | that in a minute.   |
| 20 |                       | I do want to say that this is a local public hearing                                  |
| 21 |                       | for Docket No. 2006-92-WS, and in just a moment we will                               |
| 22 |                       | be calling the names of those who signed up to come                                   |
| 23 |                       | forward and give their statement to the Commission                                    |
| 24 |                       | regarding the rate increase proposed by the Company.                                  |
| 25 |                       | Just to go into a little bit of background on this                                    |
|    | PUBLI                 | C SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210 |

|    | Docket No. 2006-92-WS C | arolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1              |
|----|-------------------------|--|
| 1  |                         | matter, I wanted to state that tonight's hearing is part of the              |
| 2  |                         | overall process that the Commission goes through when                        |
| 3  |                         | considering a rate case. Just to give you a summary of the                   |
| 4  |                         | process, the company files an application for rate changes.                  |
| 5  |                         | That application is noticed to the public, and a case like this              |
| 6  |                         | one, the Commission will set up one or more evening public                   |
| 7  |                         | hearings so that the public may be heard on this case.                       |
| 8  |                         | In this case, in addition to tonight's hearing, we're                        |
| 9  |                         | also having hearings in York County next Monday night,                       |
| 10 |                         | in Lexington next Tuesday night, and then the Oak Grove                      |
| 11 |                         | Community of Lexington next Thursday night. Also                             |
| 12 |                         | beginning on July 20 <sup>th</sup> at 10:30 in the Commission's              |
| 13 |                         | offices, the Commission will continue this process by                        |
| 14 |                         | hearing from, among other witnesses, accountants and                         |
| 15 |                         | engineers who represent the various parties, who have                        |
| 16 |                         | analyzed the rate increase request. They will then give                      |
| 17 |                         | their views on the various requests by the company. The                      |
| 18 |                         | Commission will then consider all the information that it                    |
| 19 |                         | gets from all of its hearings and will then render a                         |
| 20 |                         | decision on this matter. As I understand it, the                             |
| 21 |                         | Commission in this case by law must issue an order on                        |
| 22 |                         | or before September 27, 2006.  |
| 23 |                         | So, getting back to tonight's hearing, I just wanted                         |
| 24 |                         | to say that everything you say will be put into the record of                |
| 25 |                         | the case by our Court Reporter, Ms. Cooper. When your                        |
|    |                         | RVICE COMMISSION OF SOUTH CAROLINA Executive Center Drive, Columbia SC 29210 |

|    | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1                     |
|----|-----------------------|--|
| 1  |                       | name is called, if you will come forward, and you will be                            |
| 2  |                       | sworn in. You will then, please if you don't mind, once you                          |
| 3  |                       | get to the podium, state your name and address after being                           |
| 4  |                       | sworn in. And, please speak into the microphone so that we                           |
| 5  |                       | can get all of the information from you and hear you.                                |
| 6  |                       | I will say and remind you that since this is part of a                               |
| 7  |                       | contested case, you will be subject to questions and                                 |
| 8  |                       | possible objections from the parties, and some of the                                |
| 9  |                       | Commissioners may have questions for you as well. So,                                |
| 10 |                       | when you come forward, just be reminded that that may                                |
| 11 |                       | be a possibility.  |
| 12 |                       | Also, I just wanted to remind you that if you speak                                  |
| 13 |                       | tonight at this particular location, you will not be permitted                       |
| 14 |                       | to speak at any of the other public hearings or at the                               |
| 15 |                       | hearing in the Commission offices. In other words, you                               |
| 16 |                       | get one chance to make your feelings known, and I might                              |
| 17 |                       | want to say that if somebody speaks before you and says                              |
| 18 |                       | something that you want to say; it's okay to decline to                              |
| 19 |                       | speak when it comes your turn. In other words, you don't                             |
| 20 |                       | have to repeat what somebody else has said if you don't                              |
| 21 |                       | want to . But now, you know, don't take that as being                                |
| 22 |                       | discouraging. If you want to come speak to the Commission,                           |
| 23 |                       | this is your opportunity to speak to the Commission, and as a                        |
| 24 |                       | matter of fact, I might say this is your opportunity by state                        |
| 25 |                       | law, the Commissioners cannot one-on-one discuss this                                |
|    |                       | C SERVICE COMMISSION OF SOUTH CAROLINA 101 Executive Center Drive, Columbia SC 29210 |

|    | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1                                |
|----|-----------------------|---|
| 1  | Docket No. 2000-32-W3 | case with you, so, if you have something you want to say to                                     |
| 2  |                       | the Commission, now is your opportunity, This is not a time                                     |
| 3  |                       | to ask the Commissioners questions. As I pointed out  |
| 4  |                       | earlier, we have representatives of the Office of Regulatory                                    |
| 5  |                       | Staff here and the Company. So, you know, if after this   |
| 6  |                       | hearing is over and after you have heard all the testimony, if                                  |
| 7  |                       | you have questions, please buttonhole some of these folks,                                      |
| 8  |                       | and I know they'll be glad to talk to you about your questions.                                 |
| 9  |                       | Mr. Chairman, having said all that, at this particular  |
| 10 |                       | point I'm ready to call the witnesses at this time, if you're                                   |
| 11 |                       | ready.  |
| 12 |                       | CHAIRMAN MITCHELL: Do we have any other   |
| 13 |                       | comments at this time?  |
| 14 |                       | MR. HOEFER: Mr. Chairman.   |
| 15 |                       | CHAIRMAN MITCHELL: Yes, Mr. Hoefer.   |
| 16 |                       | JOHN M.S. HOEFER: - and Members of the  |
| 17 |                       | Commission, thank you again. I am John Hoefer. I  |
| 18 |                       | represent Carolina Water Service in this case. I wanted to                                      |
| 19 |                       | add one thing to Mr. Butler's very fine comments. We do   |
| 20 |                       | have personnel from Carolina Water Service here in the  |
| 21 |                       | audience and if any customer has any questions, they can  |
| 22 |                       | ask any one of these people, and we'll try to address their                                     |
| 23 |                       | questions – the Company officials.  |
| 24 |                       | Mr. Chairman, at this time I do have something  |
| 25 | DIIDI IC              | that I'd like to bring before the Commission. I would like SERVICE COMMISSION OF SOUTH CAROLINA |
|    |                       | 01 Evecutive Center Drive Columbia SC 20210   |

| 1  | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 to state an objection on behalf of the Applicant to customer |
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| 2  |                       | testimony consisting of unsubstantiated complaints regarding   |
| 3  |                       | customer service, quality of service, or customer relations  |
| 4  |                       | issues. The basis for this objection is that the receipt and   |
| 5  |                       | reliance upon such testimony would deny the Applicant due  |
| 6  |                       | process of law, would permit the complaint procedures  |
| 7  |                       | established under the statute and the Commission's   |
| 8  |                       | regulations be circumvented and is not an appropriate  |
| 9  |                       | basis for the determination of just and reasonable rates.  |
| 10 |                       | In support of that objection, I would like to cite to the  |
| 11 |                       | Commission, South Carolina Supreme Court, Patton vs.   |
| 12 |                       | Public Service Commission, which is recorded at 312  |
| 13 |                       | S.E. 2 <sup>nd</sup> 257, by Order of the Court of Common Pleas,   |
| 14 |                       | Tega Cay Water Service, Inc. vs. Public Service  |
| 15 |                       | Commission, Docket No. 97-CP-40-0923, which is dated   |
| 16 |                       | September 25, 1998, and the Commission's Order No.   |
| 17 |                       | 1999-191, Docket No. 96-137-WS, which is dated March 16,   |
| 18 |                       | 1998.  |
| 19 |                       | The Applicant would request that this objection be   |
| 20 |                       | deemed a continuing objection such that there would not  |
| 21 |                       | be a need for repeated objections every time a customer  |
| 22 |                       | testifies, or more, require that the Commission rule at that   |
| 23 |                       | time. In support of that request that it be deemed   |
| 24 |                       | continuing, the Applicant would cite the case of State v.  |
| 25 |                       | Douglas, South Carolina Supreme Court, excuse me,  |
|    | PUBLIC                | C SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210  |

| 1  |   | South Carolina Court of Appeals, 626 S.E. 2 <sup>nd</sup> 59. The   |
|----|---|---|
| 2  |   | Applicant would also request that the Chairman defer  |
| 3  |   | uling on the continuing objection until a final order is  |
| 4  | i | ssued in the case.  |
| 5  |   | CHAIRMAN MITCHELL: Any other comments?  |
| 6  |   | SHANNON BOWYER HUDSON: Mr. Chairman, I  |
| 7  | , | would like to respond to the Company's remarks.   |
| 8  |   | CHAIRMAN MITCHELL: Certainly, Ms. Hudson.   |
| 9  |   | MS. HUDSON: For those of you who have not met   |
| 10 |   | me, my name is Shannon Hudson, and I'm an attorney  |
| 11 |   | with the South Carolina Office of Regulatory Staff. Thank   |
| 12 |   | you for your time tonight. With me is Nanette Edwards   |
| 13 |   | who is also an attorney with the South Carolina Office of   |
| 14 |   | Regulatory Staff.   |
| 15 |   | In addressing the Company's remarks, we do not  |
| 16 |   | oppose the continuing objection process that the Company  |
| 17 |   | has proposed. What we would say though is that just   |
| 18 |   | because a complaint is not substantiated or uncorroborated,   |
| 19 |   | we do not believe that it is inadmissible. In fact, we would  |
| 20 |   | say that it is admissible for purposes of this night hearing.   |
| 21 |   | We would also say that the legal authority cited by the   |
| 22 |   | Company; we do not believe that legal authority fully   |
| 23 |   | supports the grounds put forth by the Company for its   |
| 24 |   | continuing objection. Keeping this in mind, we would ask  |
| 25 |   | the Commission to take note of our position. We would  VICE COMMISSION OF SOUTH CAROLINA  VACUATIVE Center Drive, Columbia SC 29210 |

|    | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1   |
|----|-----------------------|---|
| 1  |                       | also like to reserve our right to put forth in writing any  |
| 2  |                       | responses that we have to the Company's objections.   |
| 3  |                       | We also have one additional request, and that is of   |
| 4  |                       | the Company. We would ask that after a reasonable time  |
| 5  |                       | after the night hearing and after the transcript has been   |
| 6  |                       | completed, that the Company submit a letter to the  |
| 7  |                       | Commission for posting on its website. We would ask   |
| 8  |                       | that this letter contain all the specific portions of tonight's   |
| 9  |                       | testimony that the Company objects to, the reason for the   |
| 10 |                       | objection, and the speaker of that testimony. This way  |
| 11 |                       | the people who have come, who have taken time out of  |
| 12 |                       | their evening to speak tonight, that way if they so desire,   |
| 13 |                       | the can go on the Commission's website in the future and  |
| 14 |                       | see if any portion of their testimony has been objected to  |
| 15 |                       | by the Company. We think this is fair and reasonable to   |
| 16 |                       | everyone involved, and we are hopeful that the Company  |
| 17 | 1                     | would agree to this.  |
| 18 |                       | That is all. Thank you.   |
| 19 |                       | MR. HOEFER: Mr. Chairman.   |
| 20 |                       | CHAIRMAN MITCHELL: Mr. Hoefer.  |
| 21 |                       | MR. HOEFER: I will state for the record, the  |
| 22 |                       | Company absolutely agrees with that.  |
| 23 |                       | CHAIRMAN MITCHELL: Okay.  |
| 24 |                       | We are here tonight to listen to these people who   |
| 25 | PUBLIC                | have come to testify, and we certainly – we're going to  SERVICE COMMISSION OF SOUTH CAROLINA  O1 Executive Center Drive, Columbia SC 29210 |

|    | Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1                                       |
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| 1  | move forward. We note y'alls objection, and we'll rule on  |
| 2  | that portion in our final order. We're certainly here to   |
| 3  | listen to the people and their – or whatever they need to  |
| 4  | tell us. We're going to move forward.  |
| 5  | I'll ask Mr. Butler at this time if he'll please call the  |
| 6  | first witness.   |
| 7  | MR. BUTLER: Yes, sir, Mr. Chairman. The first  |
| 8  | witness who has signed up to speak tonight is Yvonne   |
| 9  | Ross. Ms. Ross, will you come forward please?  |
| 10 | WHEREUPON, Yvonne Ross first being duly sworn,   |
| 11 | assumes the stand and testifies as follows:  |
| 12 | MS. BOYD: Would you please state your name and   |
| 13 | address for the record?  |
| 14 | TESTIMONY OF MS. ROSS:   |
| 15 | My name is Yvonne Ross. I live at 305 Southampton Drive in Stonegate   |
| 16 | Subdivision.   |
| 17 | CHAIRMAN MITCHELL: Could you state your name   |
| 18 | one more time, please?   |
| 19 | MS. ROSS: Yvonne Ross, and I live at 305   |
| 20 | Southampton Drive in Stonegate Subdivision.  |
| 21 | CHAIRMAN MITCHELL: Thank you. You feel free to   |
| 22 | tell us anything you like.   |
| 23 | [Ms. Ross] Our neighborhood is a 30-year old neighborhood or more, and I've been a   |
| 24 | resident there since the year 2000. I'm currently the last person out of our   |
| 25 | neighborhood association. I'm here to speak on behalf of Stonegate neighborhood  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA |

Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – *Irmo, SC* Volume 1 and myself as well. We all have similar issues with Carolina Water Service. These issues are: inside our homes as well as outside our homes and in our streets. Due to poor water service in previous years to date, we face the inconvenience of leaks, broken water lines, seepage, and constant dew in our streets.

[inaudible] our homes, most of us have water filters on our faucets, which is — excuse me, water filters on our faucets and showers. We buy bottled water to consume. When taking a shower in my house, it's very smelly. It reeks of sewage odor at times. Also, when I wash my clothes, there's the same, similar awful smell. I have heavy mineral deposits on my faucets and are required to keep clean. Dishwashers, hot water heaters, coffee makers, shower nozzles, all these things are being replaced long before they should be or need to be.

Then outside of our homes we have – our yards, they are constantly being dug up. In my corner lot street side, I had a standing leak for two years. Finally after it was fixed, they never did come back to repair the damages to my yard. Roots, rocks, weeds are now there. They didn't level it or no sod was placed in that particular area. Broken water lines and sewage seepages have been an unsightly mess in my yard as well as in other people's yards.

The system flushing is very inconsistent. It never has a schedule or when it does occur, there's not much notice in that either.

An unsightly, unused sewage tank is at our front entrance. This tank stands on our exit side of our entrance. For many years it has not been used. It contains waste, and it has at times an unbearable odor. We have asked for its removal. To date, we have not had much response or removal. In our streets, they're constantly needing patching work. It has made our neighborhood streets an eyesore. Our water lines and pipes are old and always breaking and needing repairs.

Volume 1 Carolina Water Service, Inc. (Night Hearing) - Irmo, SC Docket No. 2006-92-WS Carolina Water wants to increase our water and have sewage rates. 1 Stonegate neighborhood needs dependable service and good water; therefore, no 2 rate increase should take place at this time. We have too many existing issues 3 with services not rendered. We are being told our water is up to code and is safe. 4 If this is true, why are we having so many issues? Our neighborhood also has a 5 signed petition from its residents to propose a delay in any increase of billing for 6 water or sewage usage at this time. 7 8 Thank you. 9 **EXAMINATION BY CHAIRMAN MITCHELL:** Could I ask you a question. You stated that your washing machines and a lot of 10 Q your appliances seem to not last as long. Do you have any kind of documentation 11 on that? Are there a number of people saying that? Can you give me some 12 13 examples of that? Yes, sir. There are many people that have had this issue as far as the water, 14 Α especially washing machines and water heaters and all and replacements. I don't 15 have any of that, but there are many people in our neighborhood that I'm sure that 16 could show you and give you that information if need be. 17 The leaks that you speak about, are they mainly from - on which side of the 18 Q meter. Are they in your yard or are they out in the street or - can you tell us a little 19 20 bit about that? Yes, sir. They're usually in the streets. My particular, well it's, my issue that I had 21 Α with the leakage was from the water-sewage thing that's in all the yards; I don't 22 know what you call it. But, it existed for about two years, and it was just a constant, 23 just from the top of my yard to the bottom of my yard. 24 How long have you lived in the community? 25 Q PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

| 1  | Docket<br>A | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 I've lived there since the year 2000. |
|----|-------------|--|
| 2  | Q           | Do you see the problems getting worse or the same?   |
| 3  | Α           | I see them being constant, you know, it seems like there's always something  |
| 4  |             | breaking, always. You know, eventually they do get it fixed, but in the process a lot  |
| 5  |             | of things get disturbed; our yards, the streets. Usually when you break something  |
| 6  |             | apart and try to patch it back together, of course, it's not going to look, you know,  |
| 7  |             | like it did before. It's just – it's unsightly.  |
| 8  | Q           | Okay.  |
| 9  |             | CHAIRMAN MITCHELL: Have any other questions?   |
| 10 |             | Commissioner Clyburn.  |
| 11 | EXAN        | MINATION BY COMMISSIONER CLYBURN:  |
| 12 | Q           | Again, I would like to ask about your particular issue you said about two years ago  |
| 13 |             | you had a - I guess it was the beginning of a leak in your yard?   |
| 14 | А           | Yes, ma'am.  |
| 15 | Q           | Did you say – is this the same instance that you're referring to that you said that  |
| 16 |             | there was some work done. There was a disruption in your yard, but – your yard   |
| 17 |             | wasn't , in essence made whole.  |
| 18 | А           | Yes, ma'am, yes, ma'am.  |
| 19 | Q           | How did you begin – did you call the Company or – tell me how that played out.   |
| 20 | Α           | I did call. It's been a good while back; it was last summer. But, no one ever came   |
| 21 |             | out and so I just – the grass and everything and the weeds and all started growing   |
| 22 |             | back. You'd have to see my lot to understand what I'm talking about. It's kind of off  |
| 23 |             | by itself even though it is connected. It's an existing lot next to my house that I  |
| 24 |             | own.   |
| 25 | Q           | Okay. Let me get the sequence straight. You said for two years there was some PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA    |

|    | Docket | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1  |
|----|--------|--|
| 1  |        | obvious, what you described as being some type of leak because you noticed a   |
| 2  |        | water accumulation in your yard.   |
| 3  | Α      | Right.   |
| 4  | Q      | So, let me get this straight. Did you report that to the Company?  |
| 5  | Α      | Yes, yes.  |
| 6  | Q      | What type of timeframe did it take from your first reporting to the response?  |
| 7  | Α      | Like I say, it was last year, and I can't really give you an exact time.   |
| 8  | Q      | Would you say it was relative time?  |
| 9  | A      | It was several weeks, I know. It was several weeks.  |
| 10 | Q      | Again, it was fixed?   |
| 11 | А      | Right. The home that is right next to the lot, the owner of that home – we thought   |
| 12 |        | that it was their leakage at first, and so there was a misunderstanding with that.   |
| 13 |        | But, as far as the leakage goes, yes it was reported, and it was several weeks   |
| 14 |        | before they did come out.  |
| 15 | Q      | Again, there was never any response to when you mentioned the lot, your yard   |
| 16 |        | disturbed – you said you never got a response?   |
| 17 | А      | But, my thoughts are if you go onto someone's property and you disturb it, the   |
| 18 |        | right thing to do is to fix it and try to replace it back the way it should be, not to   |
| 19 |        | leave it disturbed.  |
| 20 | Q      | I understand about that. I guess I'm wondering, did you call them back another   |
| 21 |        | time to say -  |
| 22 | A      | Yes, I did.  |
| 23 | Q      | That – no response to that?  |
| 24 | А      | No response.   |
| 25 | Q      | I have to ask you about – you mentioned the tank at the –  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive Columbia SC 29210 |

| 1  | _ | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  At our entrance, yes.               |
|----|---|---|
| T  | Α | At our entrance, yes.   |
| 2  | Q | Okay.   |
| 3  | А | I, like I said, I've been living there since the year 2000 and since I've lived there,                                      |
| 4  |   | the tank has not been operable. But, it does exist in our neighborhood, and it is full                                      |
| 5  |   | of sewage. We have reported it and spoke to people, but they say it's too costly,   |
| 6  |   | but they are working on it.   |
| 7  | Q | Meaning, being costly to remove?  |
| 8  | А | Yes, ma'am.   |
| 9  | Q | Okay. You said that intermittently there is – there's an odor that –  |
| 10 | А | Yes, ma'am.   |
| 11 | Q | My last question has to do with – you mentioned about what you described as, as   |
| 12 |   | an inconsistent, little notice as it relates to flushing. What type of lead time have                                       |
| 13 |   | you gotten when there's a need to do that to the system?  |
| 14 | A | Well, that I'm not sure on how often it should be, but I'm sure it should be at some  |
| 15 |   | point and time, and I feel that if whatever the regulations are for that, that we   |
| 16 |   | should be given ample time, you know, there should be notice; it should be done   |
| 17 |   | on a regular basis, if it should be done.   |
| 18 | Q | Have you ever gotten a notice about their, that process?  |
| 19 | А | They usually put something in our entrance way, like a billboard, plaque or   |
| 20 |   | something up front.   |
| 21 | Q | What's likely the lead time from posting until the –  |
| 22 | А | A couple of days, I would say, a couple of days.  |
| 23 | Q | Thank you.  |
| 24 |   | CHAIRMAN MITCHELL: Any other questions? Oh  |
| 25 |   | excuse me, Commissioner Howard.  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210 |

| 1  |                  | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  MINATION BY COMMISSIONER HOWARD:         |
|----|------------------|--|
| 2  | Q                | Ms. Ross, I believe that I heard here last year Stonegate has three wells and at   |
| 3  |                  | that point and time one of the wells was broken and not repaired. Are you familiar   |
| 4  |                  | with that, and has that well been repaired, do you know?   |
| 5  | А                | As far as I know, I think it has been, and I think there was water softener added.   |
| 6  |                  | But, I'm not sure, but I think.  |
| 7  | FUR <sup>-</sup> | THER EXAMINATION BY CHAIRMAN MITCHELL:   |
| 8  | Q                | You did mention an odor in the water, can you just tell us about that?   |
| 9  | А                | It's like a smelly septic tank, sewage smell. When I wash my clothes and when  |
| 10 |                  | taking a shower, it's that way. I mean, it's not all the time, but it is enough that you   |
| 11 |                  | notice it.   |
| 12 |                  | CHAIRMAN MITCHELL: Have any other questions?   |
| 13 |                  | Mr. Hoefer.  |
| 14 |                  | MR. HOEFER: Just a few brief questions.  |
| 15 |                  | CHAIRMAN MITCHELL: Certainly.  |
| 16 | CRO              | SS EXAMINATION BY MR. HOEFER:  |
| 17 | Q                | Ms. Ross, the leak that you're referring to, would that had been a leak that occurred  |
| 18 |                  | in October, 2003?  |
| 19 | Α                | Pardon me?   |
| 20 | Q                | The leak that you testified to; would that have occurred in October of 2003?   |
| 21 | Α                | I couldn't answer that. I'm not familiar with the dates, so I couldn't say.  |
| 22 | Q                | So, you don't know when the leak occurred?   |
| 23 | Α                | You're talking about the leak in my yard?  |
| 24 | Q                | Yes, ma'am. The one you [inaudible].   |
| 25 | Α                | Oh, in my yard. Well, it was fixed last summer. It was fixed last summer, and it had PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA |

| 1  | Docket | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 leaked two years prior to that when I noticed it. |
|----|--------|--|
| 2  | Q      | Okay. Do you know who that tank that you referred to belongs to?   |
| 3  | Α      | I'm assuming Carolina Water because it's their sewage tank.  |
| 4  | Q      | If it belongs to Richland County, would that make a difference to you?   |
| 5  | Α      | If it belonged to Richland County?   |
| 6  | Q      | Yes, ma'am.  |
| 7  | Α      | We aren't in Richland County.  |
| 8  | Q      | Well, my question is, if it's not the Company's tank, would you expect the Company   |
| 9  |        | to do anything about it?   |
| 10 | Α      | If it's not theirs, no, I would not.   |
| 11 | Q      | Thank you.   |
| 12 |        | MR. HOEFER: That's all I have, Mr. Chairman.   |
| 13 |        | CHAIRMAN MITCHELL: Thank you, ma'am. We  |
| 14 |        | appreciate it.   |
| 15 |        | Commissioner Moseley.  |
| 16 |        | COMMISSIONER MOSELEY: [Addressing Mr.  |
| 17 |        | Hoefer] How are you sir? You tell me about the tank. I'm just  |
| 18 |        | curious. Is it on the property of the subdivision?   |
| 19 |        | MR. HOEFER: My understanding, Commissioner   |
| 20 |        | Moseley, in conversation with [inaudible] it belongs to  |
| 21 |        | Richland County. Richland County is the bulk sewer provider  |
| 22 |        | in that area. I cannot testify to that because –   |
| 23 |        | COMMISSIONER MOSELEY: Well, I know that. I'm   |
| 24 |        | just asking a general question. How do y'all get rid of the  |
| 25 |        | sewage? Are y'all part of the Richland County or you have PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA                                    |

| MR. HOEFER: In fact I'm informed to believe, but, you know, I'm not a witness and I don't know this of my own                 |
|---|
| know, I'm not a witness and I don't know this of my own   |
|   |
| personal knowledge because I have not inspected [inaudible],  |
| but, I understand that that particular subdivision, that is a bulk  |
| sewer service area that Richland County, I believe, actually  |
| treats the wastewater; they dispose of it. I'm assuming it's  |
| disposed of at their Broad River plant, but I couldn't swear to   |
| that. Since I'm not under oath, I hope –  |
| COMMISSIONER MOSELEY: No, I was just getting  |
| clarification. Thank you.   |
| CHAIRMAN MITCHELL: Thank you. Any other   |
| questions?  |
| [No Response]   |
| CHAIRMAN MITCHELL: I'll ask Mr. Butler to call on   |
| the next witness, please.   |
| MR. BUTLER: Yes, sir, Mr. Chairman. I'd like to call  |
| Susan Maleski please.   |
| WHEREUPON, Susan Maleski first being duly   |
| sworn, assumes the stand and testifies as follows:  |
| MS. BOYD: Please state your name and address for  |
| the record.   |
| NY OF MS. MALESKI:  |
| name is Susan Maleski. I live at 10 Tipton Circle, and I live in the Stonegate  |
| odivision. I brought a petition that 88 of the residents of just over 100 houses, PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA |
|   |

Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – *Irmo, SC* Volume 1 have signed. Some have put comments on what their problems are, and some just chose to leave it as what we had written at the top [inaudible].

[inaudible] and I have my own issues with Carolina Water. If the tank doesn't belong to them, when we called, they should have told us that.

My problem is I have a thing, a metal thing, that comes up out of the ground and has, I guess where they shut the water off or whatever. It's in the middle of my driveway, at the base of my driveway. Anyway, I don't know if it leaks or it fills up with water or whatever it does, but I talked to Mike, who I think is the supervisor for our area, and we're on a first name basis, that's how many times he's been to my house. Anyway, it leaks and leaks and leaks or whatever it does and it fills with water and that water seeps out from under it, and the whole bottom of my driveway is cracked and wet. But, I was told because it's, I don't know, on my side or their side, I have two of these big metal things; one in my driveway and one up on my lawn. I thought the one on my lawn, anything after that belonged to me — I can't figure it out. Anyway, the whole bottom of my driveway's just deteriorated, cracked, falling apart. My husband'll go down and patch it, patch it. I cannot [inaudible].

But, I've had several problems with them over the years where I was told by their engineer back about five years ago that whoever built our subdivision were building acre lot houses. They had the water all put in, the pipes, and somebody else came and decided they were going to do half-acre lots. So, I have no pressure at my house. What they did was run one pipe and then split it off to three houses, and that's what I was told. So, after the man fixed it, because the neighbor next to me pipes broke and they came and turned it off and put a sleeve or some kind of thing in there, which cut my house off from any water whatsoever. PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

Volume 1 Carolina Water Service, Inc. (Night Hearing) - Irmo, SC Docket No. 2006-92-WS At 11:30 at night their engineer, I think from Georgia or somewhere, came and figured out with some blueprints, the problem. So, then the next day they were just going to - they ran a hose from my neighbor's house to my house so I could have water to flush my toilets. Then they decided they were going to fix it, but I told them absolutely not. You're going to run me my own darn line, this is ridiculous, which they did. They got one of them big torpedo things, started across the street, under the street, came up in the middle of the street, and now I have a big, old square thing that's just coming apart and cracks everywhere [inaudible]. That's a lot of my problems. They did fix it, and we did not allow them to tear up our grass. My husband goes out himself, made them come back the next day because we put a lot of money into our front lawn. We dug it up ourselves. They came and did the repair. We laid it back because we've had them dig up our yard before, and they just throw some dirt and seed on it, and we [inaudible].

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Anyway, another problem I have with them is that – I'm here to also speak for a lot of the elderly people in our neighborhood who can't come. We have a pool in our backyard and every winter we drain it down a little and in the spring, I call and I tell them that I'm going to be putting a 1,000 or 2,000 gallons water in my pool, and they adjust for a sewage bill. This year when I called I was told that the sewage bill is now a flat fee. What I don't understand is I have a family of four. The elderly people in my neighborhood can't afford a flat fee. If they're being frugal and not using a lot of water, why do they have to pay the same as myself with four people watering, showering; I just don't think it's fair to them to have to pay the same amount as everybody else when they're not consuming, and I always thought it was a matter of consumption, how much water at less.

Another thing I want to say is we have sewage leakage, and I wish I had PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

| Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1   |
|--|
| known beforehand that I couldn't speak again because I actually have photos, and   |
| I don't know if it's Richland County or them or the Tri County, and they pull down   |
| my street and they go to these big hoses and when I ran out of the house with a  |
| camera and I'm taking pictures of this truck because I thought they were actually  |
| dumping something into the water. The guy said, what are you doing, what are   |
| you doing, and I said I'm taking pictures because I don't know what you're   |
| dumping out there, and he goes, we're not, there's sewage leakage [inaudible]  |
| leaked down into the stream and they were spraying foam to kill the bacteria from  |
| the feces and whatever else is up in there. This has happened several times.   |
| Somebody else is going to speak, but she's probably going to come back, if we're   |
| able to come with pictures of the damage to people's yards. I did not – I'm new to   |
| all this or otherwise I would have brought the camera around. I spent ten hours  |
| collecting these signatures and taking pictures of the damage to people's front  |
| yards. I mean, they are dug up and they're just left with grass, [inaudible].  |
| Basically, I guess that's it.  |
| CHAIRMAN MITCHELL: I think we have – since you   |
| don't have the photos with you, we probably have a request   |
| - from anyone, a Commissioner request of a late filed exhibit  |
| that could be submitted later.   |
| VICE CHAIRMAN HAMILTON: Mr. Chairman, I  |
| request the late filed exhibit of the photos and other   |
| information that the lady has concerning this matter.  |
| CHAIRMAN MITCHELL: So, if you would  |
| Mr. Hoefer?  |
| MR. HOEFER: Mr. Chairman, if I could just request  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Evecutive Center Drive Columbia SC 29210 |

| 1  | Docket No. 2006-92-WS  Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  of the Chair that they be provided to the Company prior to |
|----|--|
| 2  | the Company's testimony deadline date for rebuttal   |
| 3  | testimony.   |
| 4  | CHAIRMAN MITCHELL: Absolutely, they will be.   |
| 5  | [Addressing Ms. Maleski] How long would it take you  |
| 6  | to submit those to the Commission? Could you get those   |
| 7  | within the next day or two?  |
| 8  | MS. MALESKI: Yes.  |
| 9  | CHAIRMAN MITCHELL: Okay, if you would do that.   |
| 10 | We certainly want to allow ample time - the Company, the do  |
| 11 | have a right to see those photos. They'll be placed in   |
| 12 | evidence before our hearing. So, as quickly as possible, we'll   |
| 13 | say within the next three days.  |
| 14 | MS. MALESKI: That'll be fine [inaudible].  |
| 15 | CHAIRMAN MITCHELL: We have Ms. Boyd – we'll  |
| 16 | supply you with Ms. Boyd's address, and you can coordinate   |
| 17 | it, Ms. Boyd, if you would, as to the timeframe.   |
| 18 | MS. BOYD: Yes, sir.  |
| 19 | CHAIRMAN MITCHELL: We'll notify you, Mr. Hoefer,   |
| 20 | immediately.   |
| 21 | MR. HOEFER: Thank you, Mr. Chairman.   |
| 22 | CHAIRMAN MITCHELL: Now, we have questions.   |
| 23 | Commissioner Clyburn.  |
| 24 | EXAMINATION BY COMMISSIONER CLYBURN:   |
| 25 | Q Ms. Maleski, Maleski?  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Evecutive Center Drive, Columbia SC 29210  |

| 1  | Docket<br>A | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  Yes.  |
|----|-------------|---|
| 2  | Q           | Okay. You made mention of the – how long have you lived at 10 Tipton?   |
| 3  | А           | We moved in February 17, 1998.  |
| 4  | Q           | Okay, and you made mention of the leaks that basically had an accumulation at   |
| 5  |             | the base of your driveway. How long has that been?  |
| 6  | Α           | It's like a metal – it's about one and a half to two feet deep, and it's metal and it   |
| 7  |             | has a metal lid on top of it.   |
| 8  | Q           | Okay.   |
| 9  | Α           | So, it fills with water, and I don't know if it just leaks. Sometimes I think, where's  |
| 10 |             | the water coming from?  |
| 11 | Q           | So, it's not [inaudible] it's relatively [inaudible].   |
| 12 | A           | [inaudible] just a little bit above my driveway, but it leaks. What it's doing, it's  |
| 13 |             | leaking and it gets down under the cement and over years this is happening. It's  |
| 14 |             | just gotten under there, and I don't know, if it's rottening or decaying away the   |
| 15 |             | cement underneath.  |
| 16 | Q           | Is that a problem you inherited?  |
| 17 | А           | No, actually its gotten worse over the eight years I've lived there. It wasn't cracked  |
| 18 |             | at all when I bought the house.   |
| 19 | Q           | Did you notice water?   |
| 20 | A           | Yeah, and I mentioned it to Mike about the water. It sits there. He's come and he's   |
| 21 |             | looked at it - sometimes there's no water in it and sometimes its full of water and it  |
| 22 |             | just leaks out into the road.   |
| 23 | Q           | You also mentioned the witness of – you were running down the sewage truck.   |
| 24 | А           | [inaudible] down into this ravine, and I think there's sewer being [inaudible]. It's  |
| 25 |             | near that ravine and sometimes when it overflows or whatever happens, it goes  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210 |

| 1  | Docket | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 down into this gully. I guess it's a runoff back there, and so I thought they were |
|----|--------|---|
| 2  |        | dumping stuff in there, and [inaudible] I'd freak out, so, I'm taking pictures, and the   |
| 3  | :<br>: | guy got real upset with me. I wanted to know what he was doing, and he said they  |
| 4  |        | had a leakage or whatever, feces and all. They were in there with some kind of  |
| 5  |        | foam to kill the bacteria. I forbid my son from even going over there.  |
| 6  | Q      | You mentioned that you've seen this truck several times.  |
| 7  | А      | Not recently. I think it was like two years ago, and it happened frequently.  |
| 8  | Q      | Okay, but within the last, say 18 or so months, you haven't seen that ?   |
| 9  | А      | No. But, I can say [inaudible] can't take a shower.   |
| 10 | Q      | Okay. I'm glad you said – you mentioned something about pressure issues. Tell   |
| 11 |        | me how frequent that is.  |
| 12 | Α      | That's all the time. If somebody in my house turns on the water in the kitchen, the   |
| 13 |        | shower dribbles. Now, they've come out, and I have to say this, and checked my  |
| 14 |        | water pressure from outside and say, oh you've got so many psi. But, I say, let me  |
| 15 |        | go in and flush the toilet and then tell me how much I have, because if I flush the   |
| 16 |        | toilet, the washing machine water won't go on. I mean, it's ridiculous.   |
| 17 | Q      | This has been going on since 19 -?  |
| 18 | А      | Since I bought the house in '98. I've had Metts Plumbing out there, and that's  |
| 19 |        | another thing I need to say, Metts Plumbing – and, I should get a letter from them.   |
| 20 |        | I have so much dirt in my water, and I want to go back to what Yvonne said earlier.   |
| 21 |        | I've replaced a toilet twice because you can't clean, up under the rim, there's little  |
| 22 |        | holes the water comes down. The men, the plumbers from Metts Plumbing had   |
| 23 |        | told me it's because there's so much dirt in my water that it clogs up the holes and  |
| 24 |        | there's no way of cleaning that because it's a sealed rim. So, we've replaced our   |
| 25 |        | toilet twice in eight years, which is ridiculous.  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210                             |

Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – *Irmo, SC* Volume 1 Q Let me see, you mentioned – I think I've covered everything. Thanks a lot.

CHAIRMAN MITCHELL: Commissioner Hamilton.

## **EXAMINATION BY VICE CHAIRMAN HAMILTON:**

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Yes, ma'am. I'd like to revisit, if we could, the problem you had when they had to run a garden hose from one house to the other. What did the engineer tell you? I think he said he was from Georgia; their engineer, and he said that when they built the subdivision, whoever built the subdivision, they were going to have acre lots for the houses and then they came in and they ran all the water pipes like they do and they tar it all. But, then I guess he went back or somebody else bought the subdivision. I don't know this for a fact, but this is what I was told. And, he decided to do half-acre lots. So, I guess the main pipe is across the street and then it runs a pipe and it splits to two houses. On our place, it runs up my neighbor's far side of his yard, goes to the first house, his house and then the pipe runs across his lawn, under his driveway, under my driveway to my house. So, when Dave had a problem in his yard and the pipe broke and they came and dug up his yard, and I guess they set some kind of sleeve in there temporarily because it was night, which totally caught me off from any water. Then Mike came back out and they couldn't figure out why I had absolutely no water. So, they ran a garden hose from Dave's house to my house - I don't know how they hooked it up - so that we could have water in the house that night. Meanwhile, about 11:30 that night, an engineer showed up and he had all these blueprints and everything, and they figured out what the problem was. The engineer said, he has never seen anything like this in his life, that three houses on one set of pipes or something. So, anyway, they wanted to come and fix it, and I told them absolutely not, that I would get a lawyer, that they were going to run me my own darn pipe. This is just nuts. They have PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

| 1  | Docket | t No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 probably dug up my street in the eight years I've been there, no lie, 15 to 20 times. |
|----|--------|--|
| 2  |        | We had a geyser coming up from the middle of it, and I live on a circle – a geyser.  |
| 3  |        | It's just crazy.   |
| 4  | Q      | Do you have a flat water fee?  |
| 5  | Α      | No, my water bill, and believe it or not, and it really upsets me because I have   |
| 6  |        | friends that live in different areas, same year subdivisions, same amount of   |
| 7  |        | [inaudible] houses with seven people living in their house, five kids, two adults –  |
| 8  |        | my water bill is double what they are in the city.   |
| 9  | Q      | Where is your meter, if the lines –  |
| 10 | А      | My meter is on my front yard, and it's in a big metal thing.   |
| 11 | Q      | I'm probably still as confused as you. Thank you, ma'am.   |
| 12 |        | CHAIRMAN MITCHELL: Any other questions?  |
| 13 |        | COMMISSIONER FLEMING: Yes.   |
| 14 |        | CHAIRMAN MITCHELL: Commissioner Fleming.   |
| 15 | EXA    | MINATION BY COMMISSIONER FLEMING:  |
| 16 | Q      | I just want to go back to the sewer issue. Do you pay Carolina Water Service for   |
| 17 |        | sewer service?   |
| 18 | Α      | We pay a DHEC fee, we pay a sewer fee, we pay – actually, my water is not  |
| 19 |        | expensive. It's all the fees that add up, and I pay almost between \$80 and \$120 a  |
| 20 |        | month.   |
| 21 | Q      | But, you pay Carolina Water Service, not Richland County, for sewer service?   |
| 22 | A      | Yes, I pay – for everything, yes.  |
| 23 | Q      | So, that's who you consider responsible if there's an issue; that's who you  |
| 24 |        | complain to?   |
| 25 | А      | Correct. Two years ago we talked about getting city water, but we were told by the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA   |

| 1  | Docket | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 city that the pipes were so old and corroded and damaged that they wouldn't. We |
|----|--------|--|
| 2  |        | would all have to come up with \$2,000 per household for them to hook us up because  |
| 3  |        | they'd have to basically take up the whole neighborhood.   |
| 4  | Q      | Do you have documentation about the replacement of the toilets in the last eight   |
| 5  |        | years?   |
| 6  | Α      | I could get the bills. I probably could dig them up. I probably still have them.   |
| 7  | Q      | Do you have documentation as to what caused the problem?   |
| 8  | Α      | Oh, no, but I'm sure if I called Metts Plumbing and the gentleman that came out to   |
| 9  |        | - actually I thought I had a clogged line from my house to their pipe, and it ended  |
| 10 |        | up not being the clogged line; it ended up being dirt off of the rim that wouldn't   |
| 11 |        | allow the water to [inaudible] backup into my house. And, so when they took it out,  |
| 12 |        | you could just see the dirt in there. It was - this is the second time that I've had to  |
| 13 |        | replace my toilet. The original owners of my house had Carolina Water to replace   |
| 14 |        | the hot water heater because when they backwashed, and I guess I'm up on a   |
| 15 |        | hill, up higher than some of the other people in the subdivision. When they  |
| 16 |        | backwashed, they don't backwash enough, and I'm - I'm friends with the   |
| 17 |        | [inaudible], the original owners to the house, and they had said that dirt got into the  |
| 18 |        | hot water heater and they ended up replacing hot water heaters in the  |
| 19 |        | neighborhood, and ours was one of the ones that was replaced. I don't know how   |
| 20 |        | many years ago that was. As far as I know, I don't have a problem with my hot  |
| 21 |        | water heater, yet. But they, I guess they knew about it then. There is [inaudible]   |
| 22 |        | dirt, if I was to bring you a glass of water and you look at it in the light, you think it's   |
| 23 |        | [inaudible], in my water and pretty much everybody else [inaudible]. I'd say 80 of   |
| 24 |        | them don't drink the water, and if you can't drink your own water, it's pretty bad.  |
| 25 |        | COMMISSIONER FLEMING: Mr. Chairman, could PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  |
|    |        | FUDLIC SERVICE COMMISSION OF SOUTH CAROLINA  |

| 1  | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 we also have documentation on the replacement for a late |
|----|-----------------------|--|
| 2  |                       | filed?   |
| 3  |                       | CHAIRMAN MITCHELL: I think we can. I was going   |
| 4  |                       | to suggest that.   |
| 5  |                       | [addressing Ms. Maleski] If you could include that   |
| 6  |                       | along with anything else that you have stated, you need to   |
| 7  |                       | send us any reference to what you've said tonight, and so, in  |
| 8  |                       | plenty of time that we might supply that to Mr. Hoefer.  |
| 9  |                       | MR. HOEFER: Mr. Chairman, I'd also ask that if we  |
| 10 |                       | need to, that we be allowed to recall this lady and cross  |
| 11 |                       | examine her about the invoices. We don't know who did the  |
| 12 |                       | service, when it was done, when this happened. We need to  |
| 13 |                       | have the opportunity to tell our side of the story if that's going   |
| 14 |                       | to be [inaudible].   |
| 15 |                       | CHAIRMAN MITCHELL: Ma'am, could -  |
| 16 |                       | [addressing Mr. Hoefer] Yes, absolutely, if –  |
| 17 |                       | [addressing Ms. Maleski] Do you understand what  |
| 18 |                       | Mr. Hoefer's saying that possibly at the hearing, you might  |
| 19 |                       | need to be recalled at the hearing if you submit any evidence  |
| 20 |                       | to us.   |
| 21 |                       | MS. MALESKI: Okay, not a problem.  |
| 22 |                       | CHAIRMAN MITCHELL: Okay.   |
| 23 |                       | MS. MALESKI: [inaudible]   |
| 24 |                       | [Laughter]   |
| 25 | PUBLIC S              | CHAIRMAN MITCHELL: Do we have any other SERVICE COMMISSION OF SOUTH CAROLINA   |

| 1  | Docket No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 questions? |
|----|--|
| 2  | [No Response]  |
| 3  | CHAIRMAN MITCHELL: We thank you very much.   |
| 4  | Mr. Hoefer, excuse me, you have –  |
| 5  | MR. HOEFER: No, Mr. Chairman.  |
| 6  | MS. MALESKI: Is there anybody that I need to   |
| 7  | [inaudible]?   |
| 8  | CHAIRMAN MITCHELL: Yes, if you would present   |
| 9  | that to Ms. Boyd, and Ms. Boyd, would you get in touch so  |
| 10 | that she'll have an address that you can – she can supply  |
| 11 | the information we've requested.   |
| 12 | We can do that. We will include that, Mr. Hoefer, as   |
| 13 | all one composite exhibit that's submitted, as noted for the   |
| 14 | record, and Office of Regulatory Staff, as a late filed exhibit.   |
| 15 | Do we have – We will call that Exhibit #1.   |
| 16 | Now, Mr. Butler.   |
| 17 | MR. BUTLER: Mr. Chairman, that is the list of  |
| 18 | witnesses that I have at this time. There may be others in the   |
| 19 | audience that wish to be heard.  |
| 20 | CHAIRMAN MITCHELL: At this time, we are here –   |
| 21 | are there any other persons that would like to speak at this   |
| 22 | time? We certainly – yes, sir, if you'd please come forward  |
| 23 | and give us your name.   |
| 24 | WHEREUPON, John Ryan first being duly sworn,   |
| 25 | assumes the stand and testifies as follows:  |
|    | PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  |

Docket No. 2006-92-WS

Carolina Water Service, Inc. (Night Hearing) – *Irmo, SC*Volume 1

MS. BOYD: Please state your name and address for the record.

#### **TESTIMONY OF Mr. Ryan**:

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John Ryan, 213 Southampton Drive, in Irmo, Stonegate, as the two ladies that were in front of me. I'm not here to complain about the [inaudible]. I want to tell you something. I've been living there, it will be a year in July, so I'm new; I don't have a chance yet I guess. But, the water is exactly like they say, smelly. It stains everything, and it's burned out three coffee makers in the year for me. I had three new coffee makers, and I'll be glad to bring them in to show you. But, the problem I have is - I've lived in eight states [inaudible] United States territory. I've never come across [inaudible] what I pay for water, both, water and sewer, whatever. Something is wrong. I have an all electric house. I paid \$32.86 for my electric bill last month and \$62.72 for a water bill. That has got to be a first for any area I've ever lived in. So, I can't understand the water company asking for an increase. I'm a single dad. I'm conservative, as you can see, by my electric bill. I don't have a lawn, so I don't water it. I just don't understand why \$62.72 is my water bill. That's crazy. That's my statement. I just can't understand this. When I moved here, you know, it was - I used to pay \$25, \$30 in Atlanta. Come over here and now I'm paying \$62.72, and now I understand that, you know, I'll get - I'm being prosecuted because I'm only one guy [inaudible] a family of four, six or eight. I'm retired. I'm on a fixed income. I can't be doing that. That's my statement. That's what I had to say. Eight states, one United States territory, never came close to this kind of water bill. So, something has to be wrong.

CHAIRMAN MITCHELL: Anything further?

[No Response]

## PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

| 1  |     | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  IINATION BY CHAIRMAN MITCHELL:                 |
|----|-----|--|
| 2  | Q   | What I wanted to ask you – you said you'd been here a year, is that what you –   |
| 3  | Α   | It'll be a year in July.   |
| 4  | Q   | Has your water bill consistently been that much each month since you've been   |
| 5  |     | here?  |
| 6  | Α   | Well, no, not quite this. This is just last month's.   |
| 7  | Q   | Okay.  |
| 8  | А   | But, when I first got my water bill, it had so many things on it - I didn't really know  |
| 9  |     | what the water was. But, I never really was expecting a water bill to upset me,  |
| 10 |     | never, never did, 65 years it never did until I started getting water bills \$62.75. I   |
| 11 |     | never really added it up because as my predecessor said, they ask for \$0.81 for   |
| 12 |     | this, \$11 for this, this for this, this for this; there's a lot of things I never – but, I've   |
| 13 |     | never gotten one below \$53. But, I'll tell you the truth, I mean, \$62.72 for water,  |
| 14 |     | \$32.10, \$32.86, all electric house. Something's wrong. Something is wrong with   |
| 15 |     | the water. Have you got any questions?   |
| 16 |     | CHAIRMAN MITCHELL: We're going to get to that.   |
| 17 |     | [Laughter]   |
| 18 | EXA | MINATION BY COMMISSIONER CLYBURN:  |
| 19 | Q   | You made mention of the number of states and the one territory that you had  |
| 20 |     | resided. Can you tell me in terms of - your predecessor mentioned a flat fee as it   |
| 21 |     | relates for sewer – can you tell me in the other jurisdictions, and this is my curiosity -   |
| 22 | A   | I never really, I never really was upset with the water bill in all the states and the   |
| 23 |     | territory I lived in.  |
| 24 | Q   | My question is – in the other jurisdictions in terms of say, your sewer or water rate  |
| 25 |     | were you ever under a flat rate structure?  PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  101 Executive Center Drive, Columbia SC 29210 |

| ſ  | Doolrot                                   | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1           |  |
|----|---|---|--|
| 1  | A   | I don't know. I never really questioned it. It was like a bill that was really never out- |  |
| 2  |   | of-sight. It was never out-of-sight. I never had - I really just never questioned it.     |  |
| 3  | Q   | [inaudible] basically because of the amount.  |  |
| 4  | Α   | Right. [inaudible] 16, 17 hours, \$22.  |  |
| 5  | Q   | [inaudible]   |  |
| 6  | Α   | A Excuse me?  |  |
| 7  | Q   | Q [inaudible]   |  |
| 8  | Α   | A One is at \$62.72 – [inaudible].  |  |
| 9  | Q   | Okay. Thanks a lot.   |  |
| 10 | FURTHER EXAMINATION BY CHAIRMAN MITCHELL: |   |  |
| 11 | Q   | Yes, sir, I did have one. You stated you were single, so you are the only person          |  |
| 12 |   | that lives in the house.  |  |
| 13 | A   | Me and my two dogs, and they don't drink a lot.   |  |
| 14 | Q   | Okay.   |  |
| 15 |   | CHAIRMAN MITCHELL: Any other questions?   |  |
| 16 |   | Commissioner Howard.  |  |
| 17 | EXA                                       | EXAMINATION BY COMMISSIONER HOWARD:   |  |
| 18 | Q   | Mr. Ryan, since you have your bill in front of you, does it have the amount of water      |  |
| 19 |   | used on there, your usage charge, gallons of water you used?                              |  |
| 20 | А   | The amount of water – 30 days, average daily use 164, average daily water costs           |  |
| 21 |   | \$0.91, average daily sewer costs \$0.81. Then by the time you get – so, you're           |  |
| 22 |   | water is \$26.58, the sewage was \$24.33, the county treatment charge is \$11, and        |  |
| 23 |   | the South Carolina DHEC fee was \$0.81; that's a total of \$62.72.                        |  |
| 24 |   | CHAIRMAN MITCHELL: Any other questions? Mr.   |  |
| 25 |   | Hoefer.   |  |
|    |   | PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA   |  |

|    | Docket                       | No. 2006-92-WS Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 |  |  |
|----|------------------------------|--|--|--|
| 1  |                              | MR. HOEFER: Just a few questions for Mr. Ryan.   |  |  |
| 2  |                              | CHAIRMAN MITCHELL: Yes, sir.   |  |  |
| 3  | CROS                         | CROSS EXAMINATION BY MR. HOEFER:   |  |  |
| 4  | Q                            | Good evening, Mr. Ryan. In all the places that you lived, were the water and           |  |  |
| 5  |                              | sewer providers owned by the government, the cities and counties?                      |  |  |
| 6  | Α                            | Mostly the city, mostly the city.  |  |  |
| 7  | Q                            | Okay. Did you have any problems with water and sewer providers in those states         |  |  |
| 8  |                              | that you lived in and foreign territories?   |  |  |
| 9  | Α                            | No.  |  |  |
| 10 | Q                            | What was your electric bill in January?  |  |  |
| 11 | А                            | My electric bill in January - my electric bill never has exceeded \$124.               |  |  |
| 12 | Q Do you have cable service? |  |  |  |
| 13 | А                            | Excuse me?   |  |  |
| 14 | Q                            | Do you have cable TV service?  |  |  |
| 15 | А                            | Yes.   |  |  |
| 16 | Q                            | What do you pay for that a month?  |  |  |
| 17 | А                            | Roughly \$40.  |  |  |
| 18 | Q                            | Thank you, sir.  |  |  |
| 19 |                              | MR. HOEFER: No more questions, Mr. Chairman.   |  |  |
| 20 |                              | MR. RYAN: I can do without cable; I can't do without                                   |  |  |
| 21 |                              | water, if that's what you were trying to say.  |  |  |
| 22 |                              | [Laughter]   |  |  |
| 23 | -                            | MR. RYAN: I can turn my cable off. I can turn down                                     |  |  |
| 24 |                              | the heat. I cannot use air conditioning, but I've got to drink,                        |  |  |
| 25 |                              | and I've got to shower. PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA                    |  |  |

| 1  | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1  CHAIRMAN MITCHELL: Do we have any other |
|----|-----------------------|--|
| 2  |                       | questions? No questions.   |
| 3  |                       | [No Response]  |
| 4  |                       | CHAIRMAN MITCHELL: Thank you, sir, very much,  |
| 5  |                       | appreciate it.   |
| 6  |                       | If you would like to – we probably would like a copy of  |
| 7  |                       | both of your bills. Can we do that? Since you submitted  |
| 8  |                       | those - and, we will, with no objection, we're going to make   |
| 9  |                       | those Exhibit #2, copies of your bills.  |
| 10 |                       | Now, do we have any other people that would like to  |
| 11 |                       | – any other person that would like to make a statement while   |
| 12 |                       | we're here? We certainly don't want to leave out anyone.   |
| 13 |                       | [No Response]  |
| 14 |                       | CHAIRMAN MITCHELL: Seeing none, then I'm going   |
| 15 |                       | to ask Mr. Butler – we had mentioned our website, Mr. Butler   |
| 16 |                       | will give us further information on our website.   |
| 17 |                       | MR. BUTLER: Yes, sir, thank you, Mr. Chairman.   |
| 18 |                       | I just wanted to say that we had mentioned a couple of   |
| 19 |                       | times that you can go to the Commission's website for further  |
| 20 |                       | information. That is <u>www.psc.sc.gov</u> . That's <u>www.psc.sc.gov</u> .                                      |
| 21 |                       | When you go to that website, you would need to look at the   |
| 22 |                       | Docket Management System section. Again, as I stated at the  |
| 23 |                       | beginning of the hearing, this particular case is Docket No.   |
| 24 |                       | 2006-92-WS. That's 2006-92-WS, and that's where all the  |
| 25 | PUBLIC                | documents related to Carolina Water Service are filed on the SERVICE COMMISSION OF SOUTH CAROLINA                |

|    | D 1 131 0006 00 110   | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1   |
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| 1  | Docket No. 2006-92-WS | Carolina Water Service, Inc. (Night Hearing) – <i>Irmo, SC</i> Volume 1 computer system. So, you can go there and get the |
| 2  |                       | information.  |
| 3  |                       | One other thing I've been asked to mention, again, as   |
| 4  |                       | we stated earlier, the hearing at the Commission on this matter,  |
| 5  |                       | wherein the engineers will be presented, accountants, and   |
| 6  |                       | other witnesses, will be on Thursday, July the 20 <sup>th</sup> , 2006, at  |
| 7  |                       | 10:30 a.m.; that is when it will begin. You're welcome to come,   |
| 8  |                       | come visit with us then also. As I said earlier, we're also having  |
| 9  |                       | three public hearings next week; one in York County, one in   |
| 10 |                       | Lexington County, and one in the Oakgrove section of  |
| 11 |                       | Lexington County.   |
| 12 |                       | So, thank you, Mr. Chairman.  |
| 13 |                       | And, yeah, I've been reminded I should tell you where   |
| 14 |                       | we actually are. The Commission's offices are located at 101  |
| 15 |                       | Executive Center Drive, which is in the Synergy Business  |
| 16 |                       | Park. It's on, basically on Berryhill Road. There are a couple  |
| 17 |                       | of ways you can come. We're actually at the corner of Bush  |
| 18 |                       | River Road and I-20. So, if you want to come and observe  |
| 19 |                       | the hearing, please feel free to do so.   |
| 20 |                       | Thank you very much.  |
| 21 |                       | [From audience] The Saluda Building?  |
| 22 |                       | CHAIRMAN MITCHELL: Yeah, the Saluda Building,   |
| 23 |                       | which will be the first building on your left as you come in off  |
| 24 |                       | of Berryhill Road.  |
| 25 | DYIDI YOʻ             | I did want to remind each one of you, if you have any   |
|    |                       | SERVICE COMMISSION OF SOUTH CAROLINA  1 Executive Center Drive, Columbia SC 29210   |

|  | Docket No. 2006-92-WS   | Carolina Water Service, Inc. (Night Hearing) – Irmo, SC Volume 1 |
|--|---|--|
| 1  |   | questions that you want to get answered tonight, the people      |
| 2  |   | at the front desk here - the Office of Regulatory Staff, and     |
| 3  |   | Mr. Hoefer, who is represent the Company. If you have any        |
| 4  |   | questions after we close this hearing, you certainly feel free   |
| 5  |   | to come up and ask any questions; that's the reason they're      |
| 6  |   | here, so, I wanted to remind you of that.                        |
| 7  |   | On behalf of the Commission, we certainly appreciate             |
| 8  |   | everyone's attendance tonight, and we certainly appreciate       |
| 9  |   | your attentive nature and look forward to seeing you at any      |
| 10   |   | other hearings and if you have any questions, feel free to       |
| 11   |   | contact the Office of Regulatory Staff, or the Commission as far |
| 12   |   | as any of our future hearings and follow us on the website.      |
| 13   |   | Everything will be posted on the website. You can follow         |
| 14   |   | anything that's submitted to the Commission, to reiterate what   |
| 15   |   | Mr. Butler stated.   |
| 16   |   | Thank you very much. We'll close the hearing at this             |
| 17   |   | time.  |
| 18   |   | [ <u>WHEREUPON</u> , at approximately                            |
| 19   |   | 7:30 P.M., on June 8, 2006, the Hearing                          |
| 20   |   | was adjourned.]  |
| 21   |   |  |
| 22<br>23<br>24<br>25<br>26<br>27<br>28<br>29 | MaryJane Cooper, Certified Court Public Service Commission of Sou 101 Executive Center Drive, Colun P.O. Box 11649, Columbia SC 292 (803) 896-5108 MaryJane.Cooper@psc.sc.gov | th Carolina<br>abia SC 29210<br>11                               |
|  | PUBLIC S  | ERVICE COMMISSION OF SOUTH CAROLINA                              |